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FISCAL IMPACT STATEMENT

LS 7676

BILL NUMBER: SB 481

NOTE PREPARED: Jan 10, 2007

BILL AMENDED:

SUBJECT: Alcoholic Beverage Permits.

FIRST AUTHOR: Sen. Landske

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
 X **DEDICATED**
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes the issuance of ten new alcoholic permits within a district in a city with a population of at least 46,500 and not more than 50,000 with a toll road located within the district, and with significant acres of undeveloped land available in the area that may be used for regional economic development activity.

Effective Date: Upon passage.

Explanation of State Expenditures: Allowing the Alcohol and Tobacco Commission (ATC) to issue these 10 new permits outside the current statutory permit quotas will result in an increase in administrative costs for the ATC. It is estimated that any increase in costs will be offset by the increase in permit fee revenues.

Explanation of State Revenues: This bill will result in an increase in alcohol retailer permit fee revenues deposited in the Excise Fund. The bill would allow the ATC, after May 1, 2007, to issue, without regard to the statutory quotas, not more than 10 new one-way, two-way, or three-way permits to a city that meets certain requirements. The maximum impact of this provision is an increase of \$15,000 in fee revenue. The exact amount and timing of the impact will depend when the bill becomes effective (the effective date is upon passage), the number of permits (up to 10) issued, and when the permits are issued.

Background: The bill requires that any applicants for these 10 permits must be the proprietor of a restaurant located within a district, or not more than 1,500 feet of a district, that meets the following requirements:

- (1) The district is located in a city with a population of more than 46,500 but less than 50,000.
- (2) A toll road is located in the district.
- (3) The 1,500 feet surrounding the toll road includes significant acres of underdeveloped land available in the area that may be used for regional economic development activity.

Mishawaka, Indiana, is currently the only known city to meet all of these requirements.

A one-way permit is for a restaurant that serves beer only. A two-way permit allows a restaurant to serve both beer and wine, and a three-way permit allows a restaurant to serve beer, wine, and liquor.

The fees are as follows: (1) a one-way permit is \$500; (2) a two-way permit is \$1,000; (3) a three-way permit is \$1,500. Fee revenues collected from one-way, two-way, and three-way permits is be deposited in the Excise Fund and then distributed 37% to the state General Fund; 33% to the general funds of cities, towns, and counties, based on population and 30% to the ATC's Enforcement and Administration Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Fee revenues collected from one-way, two-way, and three-way permits is be deposited in the Excise Fund and then 33% to the general funds of cities, towns, and counties, based on population. The increase in fee revenue distributed to the locals is estimated to be minimal.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: All.

Information Sources:

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